UNITED
NATIONS

A

General Assembly

Distr.
LIMITED

A/CONF.147/PC/L.7
TD/B/AC.17/L.34

5 April 1990

Original: ENGLISH

TRADE AND DEVELOPMENT BOARD
Intergovernmental Group on the
Least Developed Countries
Seventh session
(Preparatory Committee for the Second
United Nations Conference on the
Least Developed Countries)
Geneva, 26 March 1990
Agenda item 3

PROGRAMME OF ACTION FOR THE 1990s FOR THE LEAST DEVELOPED COUNTRIES

Mobilizing and developing human capacities in LDCs

Development, particularly expansion and modernization of the economic base

Text submitted by the Chairman of Working Group II

III. Mobilizing and developing human capacities in LDCs

1. [It is recognized that every country has its right to select, in accordance with its national situation, its own model of development and ownership for means of production. In this connection, the policy measures recommended to the LDCs hereafter are only optional, the adoption or adaptation of which should be left to the total discretion of the individual LDCs.] Men and women are the essential resource and beneficiaries of the development of the LDCs. The mobilization and development of these human resources in the least developed countries is a crucial factor in promoting sustained and increasingly self-reliant socio-economic development. Policies

for mobilizing and developing the human resources of the least developed countries during the 1990s should focus on two main areas: (i) the full involvement, integration and participation of all groups, especially women, in the development process; and (ii) the strengthening of human capital, in particular through access of the population to basic and adequate social services, with special priority on education. The creation of an environment conducive to releasing the full energies and potential of all [individuals and] sectors of the population in the least developed countries is a prerequisite for widening and developing the productive base and hence the attainment of sustained development. As investment in human capital needs substantial resources, LDCs themselves should seek to direct more resources to social services; but, as the least developed countries face severe budgetary constraints in social services, the international community is called upon to provide [sufficient additional] financial and technical support for the efforts of the least developed countries in this area.

A. The involvement of the actors

2. [Co-operation shall be directed towards development centred on the individual, the main protagonist and beneficiary of development, which thus entails respect for and promotion of all human rights. Co-operation shall thus be conceived in accordance with the positive approach, where respect for human rights is recognized as a basic factor of real development and where co-operation is conceived as a contribution to the promotion of these rights.

In this context development policy and co-operation are closely linked with the respect for and enjoyment of fundamental human rights. The role and potential of initiatives taken by individuals and groups shall also be recognized and fostered in order to achieve in practice real participation of the population in the development process.]

2bis. It is important to promote measures aimed at increasing the motivation and the opportunities of all social and economic actors, public as well as private, to participate fully in the development process of the LDCs. Participatory development should be enhanced through, inter alia, measures aimed at developing and improving institutional capabilities and efficiency in public administration, ensuring an optimal balance between the public and

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private sectors (enterprises, co-operative sector, informal sector) in order to foster productive activities, allowing natural talents to develop and flourish, fully integrating women in the development process, and encouraging [recognized] NGOs [particularly the indigenous ones] and grass-roots organizations in their local, community-based initiatives.

Improving institutional capabilities

3. [Better governance is key to progress in LDCs.] The LDCs need to undertake policies and measures with technical and financial international support, aimed at strengthening the ability of their institutions to operate efficiently. These institutional capacities are vital for the formulation and management of macro-economic and sectoral policies, the design, management and evaluation of their development programmes and projects, as well as for the creation of an environment propitious to the development and sound management of the public and private sectors. Measures and policies to be undertaken by LDCs would include: (i) building and maintaining management training institutions at national and sub-regional levels; (ii) providing adequate incentives to attract and retain trainedpersonnel in the public service and other development institutions; (iii) building endogenous capacities to assess, adapt and internalize science and technology. The implementation of these policy measures requires extensive international support, including provision of technical assistance and financial resources.

3bis. The improvement and expansion of the LDCs' institutional capabilities and efficiency and further decentralization [and democratization] within the decision-making system are required in order to increase [respect for human rights and] responsiveness to the needs of the population, enhance the effectiveness and relevance of development activities, ensure the rational and equitable utilization of resources, and facilitate local participation in the decision-making and implementation of development activities.

The role of public enterprises

4. There is a need for pragmatic approaches to balance public and private sector involvement in the development of the LDCs. While measures should be taken to foster entrepreneurial capacity and private capital, which is scarce in LDCs, public enterprises will continue to play an important but supportive role.

5. The prime objective of policies affecting the public sector should be a marked increase in the efficiency and productivity of State enterprises, enabling them to operate on a competitive basis relying on market signals. LDCs should continue to evaluate the performance and viability of public sector enterprises and, where appropriate, take the necessary measures including consolidation, privatization, and/or dissolution. Where public sector activity is deemed essential, pertinent measures should include the establishment of clear mandates, objectives and accounting procedures, the enforcement of financial and managerial discipline, the creation of an adequate incentive and career structure to attract, train and retain qualified staff, and the adoption of measures to enhance the accountability and managerial autonomy of management boards. National initiatives in the public sector area should be supported by technical assistance from development partners, including UNCTAD and other international organizations in their respective fields of competence.

The role of the LDC private enterprise sector

6. Private enterprises, as well as industrial and rural co-operatives, can play a greater role in transforming LDC economies and achieving national development objectives. The development of entrepreneurship should be stimulated and motivated by policies aimed at creating a more favourable economic environment for the local initiatives of the private sector. The LDCs would need to take measures aimed at creating an appropriate legal and institutional framework for the conduct of activities by the private entrepreneurs, which might include inter alia appropriate fiscal, financial and credit policies as well as legal provisions promoting and fostering private investment [, including respect for private and communal property]. At the same time, LDCs should establish appropriate monitoring and regulating mechanisms so as to ensure fair competition and thereby foster the economic development and the social welfare of these countries. Such measures are important in order to attract foreign companies to invest to any significant degree in the economies of the LDCs. Investment by foreign enterprises can provide a significant range of new skills which can over time facilitate the progressive integration of areas of economic activity of the LDCs into the international economy.]

6.bis Specific programmes for private enterprise development should address [privatisation, where feasible, promotion of domestic and foreign direct investment, management training, promotion of non-traditional exports,] promotion of small-scale ventures and micro-enterprises, including those within the informal sector, and the development of entrepreneurial skills. In this connection, more attention also needs to be paid to the promotion of small-scale enterprises which base their productive activities on local raw materials in order to ensure a positive contribution to the economic development and social welfare of these countries.

Full participation of women in the development process

7. Appropriate measures should be taken by the least developed countries to fully mobilize and involve women, both as agents and beneficiaries of the development process. Their role in development should be strengthened through better access to health care, including voluntary family planning education and training, and to rural credit. LDCs are invited to ratify and implement all UN conventions against all forms of discrimination towards women.

7 bis. The development and mobilization of women as an important component of overall human resources, within the circumstances peculiar to each least developed country, especially in the following areas would greatly enhance the development prospects of their countries:

(i) Encouraging the media and various systems of education to convey information giving a realistic and positive image of women;

(ii) Promoting the establishment of women's associations in order for women to be conscious of their rights and to defend these rights themselves;

(iii) Creating greater awareness among men and associating them with the elaboration and implementation of measures to promote the role of women;

(iv) Ensuring women's full participation in the decision-making process particularly in the design and evaluation of projects, the administration of funds intended to promote the role of women in development.

The role of NGOs

8. The effectiveness of NGOs in promoting participatory development, which in recent years has been increasingly recognized, can be enhanced. While preserving their independence and distinctness NGOs should [be sensitive to] [work within] the strategies and policies designed by national Governments aimed at improving the well-being of all citizens [and abide by the national laws and regulations]. Their specific role in formulating programmes and projects [and in monitoring the development situation of the population taking into account the policies put into action] [with] [in the light of the expectations of] grass-roots communities should be [recognized] [encouraged] [and to this end a process of realistic dialogue between the NGOs and the governmental authorities should be encouraged.].

9. Developed-country NGOs continued to make an important contribution in respect of institution-building of LDC NGOs. They should, wherever possible, establish relations of partnership, and co-operate, with local NGOs, and recognize and be sensitive to concepts and ideas which are inappropriate to LDCs. Developed-country NGOs also have an important role to play in mobilising support, in their respective countries, for the strengthening of LDC NGOs and non-governmental activities, as well as in sensitizing public opinion, thus influencing policies concerning major international issues affecting the development of the least developed countries.

B. The strengthening of human capital

10. Three areas play a key role in strengthening the human capital in the least developed countries: population policies, health services, education and training. Furthermore, action on these three areas has a direct and positive impact on the status and role of women and on their contribution to improvement of social and economic conditions in the least developed countries. LDCs are invited to ratify and implement the UN conventions on the rights of the child. Within the framework of the follow-up to the programme of action, it is expected that each individual least developed country, within each overall development plan, will formulate measures and programmes with social objectives and targets corresponding to their specific situation and needs. The bilateral agencies as well as the United Nations and other international organizations would be called upon to assist the least developed countries in designing and implementing programmes in this regard and to provide financial and technical support accordingly.

Population

11. Population policies should be considered an integral part of national development strategies. These policies must be linked to programmes on child survival, health, education, housing and employment. [They should aim at [rates of population growth] [establishing population levels] compatible with achieving sustainable development in the least developed countries.] Measures should be taken with a view to the creation of instruments required to monitor population developments, the incorporation of population issues into development programmes, as appropriate, and stronger political and financial support for national population policies and programmes. Least developed countries' efforts should be supported by financial and technical assistance from international organizations, in particular UNFPA [and IPPF], and donor countries, respecting the sovereignty of LDCs. Governments should launch vigorous innovative and comprehensive information and education programmes on voluntary family planning, taking into account the specific concerns of women and children and provide voluntary family planning services [utilizing, where appropriate, the private sector]. These programmes should be disseminated through the mass media, as well as at schools, universities, health centres and work places.

12. In a number of least developed countries, the high rate of population growth is a fundamental problem, adversely affecting their efforts to alleviate poverty, the allocation of economic resources and the quality of the natural environment. The least developed countries concerned will further intensify their efforts to achieve, as appropriate, population growth rates which strike an optimal balance in the interrelation between their population, their natural resource base and the environment, taking into account traditions and values, as well as economic imperatives

Education and training

13. Each least developed country should formulate a strategy for improving the education and training standards of its population, taking into account on-going educational reforms in many LDCs, specifying both intermediate steps and approximate time frames for attaining these goals. These strategies should entail measures aimed at redefining educational policies in the light

of the country's broad development objectives, improving administrative and financial management of educational systems, boosting the quality of vocational training and giving priority to the development of basic education, in particular universal primary education. Special attention should be given to the securing of sufficient resources for recurrent expenditure, particularly on teaching materials and for the training of trainers, and to the designing of curricula which meet the specific needs of all sectors of the population of the least developed countries.

14. The least developed countries will have to make sustained efforts to stop and reverse the progressive erosion affecting the education sector and renew their commitment to combating illiteracy, particularly among women. Furthermore, the objective of universal primary education implies the reduction, and ultimately the elimination, of disparities in education levels between rural and urban areas as well as in schooling levels. Special emphasis has to be given to improved access for girls and women to education facilities. Secondary and higher education systems need to be reformed in order to cope with the growing transformational needs of the LDCs' economies, thus gradually reducing the unemployment of graduates. In this context, incentives should be introduced with a view to increasing the attractiveness of critical subjects, including management skills, engineering, agricultural science and technical occupations. The educational system should thus be better aligned to professional life and oriented towards forming producers.

Health and sanitation

15. Without profound improvements in the health standards prevailing in the least developed countries, other measures of social and economic development will remain to a great extent ineffective.

16. Priority tasks in the least developed countries' efforts to attain the objectives of the Global Strategy for Health for All by the year 2000, as adopted by WHO, should be the strengthening of primary health care, the implementation of expanded immunization programmes, diarrheal disease control, malaria control, efforts to combat AIDS, and the reduction of infant and child mortality, as well as maternal morbidity and mortality. The WHO/UNICEF goals and strategies for the 1990s should serve as important priority guidelines.

The promotion of child survival through the measures of Universal Child Immunization (UCI) and universal access to Oral Rehydration Therapy (ORT) will serve as important measures in achieving the goal of reducing infant mortality by half before the end of the decade. Other goals for the 1990s should include the reduction by half of malnutrition in children under five, the eradication of poliomyelitis, as well as the elimination of neonatal tetanus. Each least developed country, assisted by WHO and other relevant organizations, should define a country-focused health policy, taking into account the above priorities, and identify its needs in terms of basic equipment adapted to local conditions, so as to facilitate and co-ordinate donors' responses to meet these needs. Also, donors and relevant international organizations should continue to provide technical and financial support to national and regional programmes, notably in respect of training, reearch and control of major endemic diseases.

17. Government efforts in the health sector will lay greater emphasis on preventive measures, including health education, the provision of safe drinking water and sanitation and the improvement of maternal and infant care. As regards this last point, safe motherhood programmes should be implemented, including adequate care and nutrition both during the period of pregnancy, at childbirth and at lactation. More available resources should be allocated to primary health care centres, with a special emphasis on the rural network of the primary health care system. [Private sector provision of primary health care should be encouraged, where appropriate.] The potential for increasing the active involvement of the population in rural primary health care should be examined.

IV. Development, particularly expansion and modernization of the economic base

18. The development, expansion and transformation of the economic base are critical factors for the [sustained] [sustainable] development of the least developed countries. [A crucial task for the LDCs will be to mobilize fully the complete range of skills available in their societies to achieve these objectives. In this regards, particular attention must be given to the most effective assignment of responsibilities to allow substantial progress towards durable development. The government sector will remain central to the process of elaborating national development plans. In particular, governments

must bring about the necessary economic conditions (absence of rigidities, removal of harmful regulations, legal guarantees for business operations, etc.) to encourage development in all sectors of economic life. [However, the role of private initiative is crucial to the definition both of the development tasks to be undertaken and in the choice of the means to secure their achievement. Thus, a central and crucial task for government must be to facilitate and encourage the emergence and expansion of the role play by private initiative in the economic life of the LDCs. An increase role for the initiative of the private sector will require governments to play a more supportive role in the development of critical areas of the economy. The developed countries stand ready to support the efforts of individual LDCs to mobilize private initiative to tackle the many concrete tasks required to bring about durable economic growth and development. They believe that this type of pragmatic approach to the problems facing the LDCs in this area offers the best approach for strengthening the partnership for development in coming years.]] In order to attain an adequate growth of the economic base, interlinkages need to be built and strengthened between productive, service, and infrastructural sectors in the least developed countries. In the efforts made by the least developed countries in this regard, attention should be paid to several key dimensions: (i) production of essential goods and services to meet the needs of the majority of their people; (ii) generation of employment and enhancement of the domestic value added;(iii) a balance between expansion and rehabilitation so as to ensure the utilization of idle capacity; and (iv) the need to overcome difficulties inherent in the monoculture of their economies. These endeavours will entail a greater and more efficient mobilization of domestic resources, in particular human resources, as well as sustained and substantial technical and financial support from the international community.

A. Rural development, modernization of agricultural production and food security

Agriculture

19. The development of the agricultural sector will continue to rank high among the transformational objectives of the least developed countries in the 1990s. Around 80 per cent of the population of the least developed countries live in rural areas, and agriculture is the dominant sector of production.

rural development thus constitutes and indespensable element of any agricultural development strategy. Moreover, expansion of food production and food security continue to be a priority objective of the least developed countries. Towards this end, least developed countries should, at the minimum, strive to increase agricultural and food production [at an annual growth rate of 4 to 5 per cent in order to stay] ahead of population growth if poverty alleviation and erradication, nutritional improvement as well as food security goals are not to be at risk. [Farmers can only enter into this prospect if they obtain a minimum of security and profit.]

20. [The development of the agricultural sector will require in particular: (i) [adoption of appropriate [market-oriented] agricultural price and credit policies] [progressive liberalization of domestic markets to ensure sustained remunerative prices to agricultural producers, with a minmun of price distortions]; (ii) improving income distribution patterns and broadening income earnings opportunities at the national level so as to strengthen the purchasing power of the low-income strata of the population, and thereby expanding the national demand for agricultural goods; (iii) reform of farming and land-tenure systems, where appropriate, aimed at encouraging investment in land; (iv) adoption of agricultural techniques and farming practices keeping in mind the preservation and protection of the environment, including stepped up efforts for afforestation and the prevention of soil erosion arising from land misuse and overuse; (v) ensuring a more efficient public sector, concentrating on improvement of the physical and institutional infrastructure on which agricultural production directly depends, the formulation and implementation of co-operation arrangements at regional and sub-regional levels aimed at fostering agricultural development as well as more thorough investment appraisal of agricultural development projects; (vi) diversification of the agricultural base horizontally through the promotion of fisheries, livestock, horticulture and forestry and vertically through upgrading of processing and enhancing value added of agro-based products; (vii) development and application of agricultural research and its linkages with extension and enhancement of technical skills and know-how of agricultural workers; and (viii) establishment of agricultural support services, and storage facilities and other relevant measures to minimize pre- and post-harvest losses.]

[The development of the agricultural sector will require the formulation, by the LDCs and with the support of the competent international organizations and donor countries, of an "agricultural development strategy". This strategy should include, in particular, support for farmers' initiatives and the creation of professional groupings, and more generally assistance for the emergence of a genuine agricultural profession through the provision of trainning for farmers. The development of the agricultural sector requires, among other things: (i) progressive liberalization of domestic markets, facilitating the supply of towns and local processing, to guarantee constant remunerative prices for agricultural producers with a minimum of price distortion; the LDCs are studying the possibility of protecting their agriculture from cereals which are sold at low prices on the world market and compete with local products; (ii) improving and broadening income distribution patterns at the national level so as to strengthen the purchasing power of the low-income strata of the population, and thereby expanding the national demand for agricultural goods; (iii) effective participation by the public sector, in particular with regard to the improvement of the physical and institutional infrastructure on which agricultural production depends directly in order, at any time, to help supply zones affected by shortages from surplus regions, as well as the formulation and implementation of co-operation arrangements at regional and subregional levels aimed at fostering agricultural development; (iv) the diversification of the agricultural base through the integration of crop and livestock farming and by the promotion of fisheries, livestock, horticulture and forestry, and the improvement of the productivity and competitiveness of the "chains" from production to consumption or export, especially for products intended for the world market; (v) the development and application of agricultural research and the improvement of the technical skills and know-how of farmers through flexible and decentralized agricultural extension systems or groups of farmers defining their own needs and participating directly in the introduction of extension activities; (vi) the reform of farming and land tenure systems to provide farmers with a guarantee that they will keep their land for a long enough period of time in order to encourage investment in land; (vii) adoption of agricultural techniques and farming practices that are environmentally sound, as well as efforts for afforestation and the prevention of soil erosion; (viii) the establishment of agricultural support services - in particular agricultural credit systems, including mutual groupings - storage facilities and other relevant measures to minimize pre- and post-harvest looses.]

21. Within their agricultural development programmes, the least developed countries should provide appropriate incentive structures to smallholders, who are the major producers of foodcrops and who thus have a crucial role to play in attainment of national food security, as well as gainful employment to landless workers, who represent the large majority of agricultural producers in the least developed countries. Their success, or failure, has a direct impact upon the well-being of the mass of the rural population. Women's role in food production should be similarly strengthened through the recognition of the need for laws and regulations ensuring equal access to more efficient food-processing technologies, credit, land tenure and agricultural training and support services.

[Development of fisheries resources]

[21bis. Fish resources, fresh water and seas, have great potential in many LDCs, and their better management will enhance domestic protein supply and augment export earnings. Many LDCs have introduced new policies geared to fully privatizing the fisheries sector and introduction of modern techniques, vessels, storage, reparation facilities, as well as, upgrading marketing and undertaking comprehensive resource surveys. In this regard, FAO is invited to assist LDCs upon request to undertake a comprehensive study on their marine resources, inter alia, renewal, protection and environmentally sound exploitation, conservation, production, infrastructure, marketing and identify the human resources needs. Similarly, other competent international organizations should contribute to the above study.

The international community is called upon to assist and support the efforts of LDCs to develop and strengthen their overall fisheries policies, including a wider protection of their resources.]

Rural development

22. Efforts to promote agricultural production and attain growth with equity should be supported by policies designed to enhance rural development. Indeed, rural development constitutes an essential element of any attempt to significantly raise both agricultural output and farmers' incomes and to induce a process of accelerated structural transformation of the economy of the least developed countries. [This transformation will critically depend on

policies which take account of the overriding need to ensure that environmental degradation does not further undermine the rural base of many LDCs.] Policies would relate, inter alia, to the promotion of participatory development through support and encouragement of grass-roots activities, rural co-operatives, and peasants' initiatives, the establishment of agro- and other small-scale industries in rural areas, the introduction or expansion in rural areas of services hitherto available mostly in towns (health, education and training activities, shops), creation or expansion of the rural credit and financial network, and the enabling of the informal sector to play fully its development role in the least developed countries. Rural development, coupled with the implementation of schemes for gainful employment of landless laborers in both agricultural and non-agricultural activities would slow the exodus of the rural population towards urban areas, an exodus that imposes a heavy burden on the already weak urban infrastructure.

22 bis. Action taken by the least developed countries will need to be supported by sustained financial and technical assistance, as well as by improved market access for their exports. Technical and financial assistance provided by competent international organizations and donor countries should be mobilized around an "agricultural development strategy" for the 1990s, to be defined by each least developed country. The international community will need to assist least developed countries' Governments in developing agricultural support systems and related infrastructure, establishing and consolidating agricultural research systems at national, regional and international levels, improving farming practices, including soil and water management, measures to control overgrazing, salination and alkalinisation of soils, desertification and soil erosion. In addition, efforts should be undertaken to rehabilitate the agricultural sector of those least developed countries whose economies have been ravaged by serious drought, floods, locust, famine, and other formidable problems. The international community should support agricultural research which addresses the particular problems of the least developed countries.

Food aid

23. While food security will be an overriding policy objective for the 1990s, food aid will need to be provided to the least developed countries [where a real shortage of food exists. Food aid should essentially be a

accordingly, be integrated into LDCs own development policies. The products provided should meet the needs of recipients and be supplied at a price which will not disrupt the domestic market. Where the products supplied are distributed free of charge they should form part of nutrition programmes aimed at vulnerable sectors of the populations or be delivered as payment for work. Other measures such as tripartite transactions, on a regional or sub-regional basis, can greatly promote food security. The improvement of strategic food reserves, particularly at local level can contribute significantly to improving food security and stabilising prices.] [with structural food deficits and in emergency situations. Food aid should be used only to alleviate poverty and hunger, but its adverse effects, in terms of modifying dietary habits, discouraging local production and thus perpetuating food dependence, need to be overcome. More innovative ways of adapting food aid to local dietary habits are thus necessary, through, for example, greater use of local purchases or tripartite transactions based on regional and sub-regional trade. Food aid can further be made a development tool when used to support activities such as food-for-work programmes, protection of vulnerable groups during adjustment periods, rehabilitation of displaced populations and [establishment of strategic food reserves at the regional, national, community and household levels]. Measures should be established to prevent the negative effects of food aid on domestic production.] [Moreover, the removal of agricultural subsidies in major producer countries should be complemented by measures to compensate for the increase in commercial food import prices, in particular through increased food aid. In times of favorable harvests, conventional food aid should be replaced by monetary aid.]

B. Development of industrial, service, scientific and technological base

Developing the industrial sector

25. The strategy of the least developed countries with regard to non-agricultural sectors should focus on three [four] major objectives: an enlarged scope for [activities, public and private] [private sector activities] rehabilitation, maintenance and upgrading of existing production facilities, expansion of the productive potential in line with dynamnic comparative advantages, available resources and internal, and external market prospects, and the diversification of their productive base. Based on local endowment, least developed countries should also promote the development of the service sector.

26. In their industrialization programmes, the least developed countries should promote the complementary, simultaneous development of the rural economy so as to ensure sustained purchasing power for the local absorption of industrial output, while establishing an assured supply base of agro (and mineral) inputs for industry. Increased attention should be accorded to regional and sub-regional markets so as to overcome constraints imposed by small domestic markets and low per capita income. The potential of regional and sub-regional co-operation to economise on scarce capital and human resources and as a catalyst for economic diversification and achieving regional complementarity in production also warrants close attention.

27. Individual least developed countries have to determine, on the basis of their specific economic base and of world market, regional and sub-reigional prospects for their actual and potential exports, how to reduce the dependence on traditional commodities and enhance the export orientation of their domestic economies. To the extent that such activities are justified by their factor endowments and other natural advantages, least developed countries could explore the possibilities of exploiting niches in export markets and seek to establish links with major marketing chains of the industrialized countries, through for example joint ventures and international subcontracting and also with the co-operation of import-promotion organizations in the developed countries. At the same time, LDCs should take steps to strengthen their export competitiveness in co-operation with the International Trade Centre by way of improving quality and packaging, processing, marketing and distribution. Foreign direct investment (FDI) should be encouraged through effectively functioning legal systems which safeguard property rights, including intellectual property legislation, supportive tax regimes and double taxation agreements. [Measures taken by least developed countries to attract FDI will need to be complemented by legislative, fiscal and other measures taken by the home countries with a view to encouraging investment in the least developed countries by foreign investors.] [Developed countries could consider the potential that exists for fostering private investment in the LDCs implementing effective national policies] (sentence to be drafted by Bangladesh and France). Promotion of competitive industries will need to be underpinned by a positive policy environment, including realistic tax regimes, exchange rates and trade and price policies, and an appropriate regulatory framework and incentive system which encourages entrepreneurship, private and foreign.

28. Industrialized countries, multilateral financial, development and other organizations, particularly UNIDO, should increase efforts to mobilize their resources in their co-operation programmes to projects designed to develop and strengthen the industrial base of the least developed countries, leading to the emergence of viable industrial enterprises. Co-operation between the enterprises in particular, medium and small-scale enterprises of the developed and least developed countries, can play an important role in the industrialization of the LDCs, in the transfer of technology and the marketing of products of the LDCs.

Developing the services sectors

[28.bis In pursuing their strategies of economic development, the least developed countries should take due advantage of the special role of services in the development process, which permeates the whole economy and provides necessary support for proper functioning and efficiency of the agricultural and manufacturing sectors. In this regard priority should be given to the development of key service sectors, including infrastructural and producer services. The possibilities of increasing export earnings through service exports should be explored, bearing in mind that for many least developed countries, possibilities of increasing export earnings from agriculture or industry may be limited.

Serious attention should be given at the decision-making in the least developed countries on the priority needs and existing capacities of individual countries in services, as well as on their export potentials. The implementation of services-development programmes would require both internal and external efforts in the improvement of information facilites, and particularily statistics; business and trade legislation; personnel training; mobilization of technology and financial resources.

UNCTAD, within its current mandate, should give priority in its studies and technical assistance programmes to projects designed to strengthen the services sectors of the least developed countries. This process should be supported by developed countries, multilateral organizations and the UNDP is invited to favourably consider requests in this context. Special measures should be taken to increase the participation of the least developed countries in the world trade in service in the Multilateral Framework for Trade in Services being negotiated in the Uruguay Round, and these countries should not be requested to make concessions in this context.]

Strengthening the scientific and technological base

29. The international community has recognized the fundamental role of science and technology in the socio-economic development of all countries and in particular of the LDCs. The creation of an adequate scientific and technological base is consequently a necessary condition for the medium and long-term transformation of the least developed countries. During the 1990s, least developed countries should seek to: (i) place adequate emphasis on science and technology in their national development plans; (ii) enhance endogenous capacity to deal with the development and application of science and technology, particularly by strengthening the national scientific and technological infrastructure, introducing scientific and technological education, improving the quality and quantity of manpower training, linking production with indigenous efforts and devising appropriate mechanisms for the orientation of programmes and the practical application of the results of scientific research; and (iii) find alternatives to the export of traditional raw materials by the development of new products and processes and thus ensure the competitiveness of the least developed country's exportable goods.

30. Given the special difficulties of least developed countries due in part to the lack of domestic research and development capabilities and in acquiring modern technology and in strengthening their technological capacities, every effort should be made by the international community to accelerate the technological transformation of least developed countries, and particularly to:

(a) Assist least developed countries to acquire an adequate infrastructure, in order to, inter alia:

(i) Facilitate the co-ordinated formulation and implementation of technology plans, policies, laws and regulation;

(ii) Evaluate and negotiate transfer of technology transactions;

(iii) Establish focal points in least developed countries between national and international technology suppliers and national technology users, including technology centers, if appropriate;

(iv) Provide technical assistance, information and training to technology users;

(v) Support or participate in programmes of research and development of technology in selected areas with the aim of developing indigenous technologies, and promote the adaptation of imported technologies to national requirements;

(vi) Facilitate the transfer of technology to small and medium-sized enterprises;

(vii) Exploit the immense economic impact and potential of biotechnologies and other new techniques and technologies, in particular those relevent to food and agriculture, agro-based industries, communications and data analysis methods in the least developed countires;

(b) Give least developed countries the freest and fullest possible access to techologies whose transfer is not subject to private decisions, and facilitate access, to the extent practicable, to technologies whose transfer is subject to private decisions;

(c) Continue to provide and strengthen support for programmes of technical assistance for least developed countries from other developing countries. Possible arrangements for least developed countries to benefit from the co-operative exchange of skills among developing countries should also be considered;

(d) Consider, as part of the process of accelerating the transfer of technology to the least developed countries, an increase in the number of scholarships for studies and training in science and technology;

(e) Assist the least developed countries in the formulation of appropriate laws, regulations and policies relating to the import of technology and promotion of the development of indigenous technologies.

C. Infrastructure

31. Investment in productive sectors, particularly in the agricultural sector, needs to be complemented by measures aimed at maintaining and expanding the infrastructure, including roads, railways, waterways, airways, communication systems, health care facilities, schools and administration facilities. Due attention needs to be paid to the rapid urbanization process in the least developed countries and to its consequences for socio-economic development as well as needs of the local communities. Priority should be given to infrastructural projects which directly serve the basic human needs of the local population, in particular for the transportation of agricultural products. The need to minimize or prevent damage from natural hazards should be fully taken into account in strengthening the physical infrastructure. In this context, measures aimed at improving the housing situation and urban development deserve high priority.

32. Urban development plans should be drawn up, addressing related institutional, financial and technical issues. In this context, measures aimed at improving the housing situation and urban development deserve high priority.

32.bis While the LDCs should seek to strike a balance between new investments and the need for maintenance in the infrastructure sector, specific measures should be designed for: (i) rehabilitation and maintenance of the existing facilities; (ii) creation of new infrastructure facilities; (iii) drawing up urban and housing development plans; and (iv) strengthening institutional capacities in the design and implementation of policies and programmes in the infrastructure sector.

33. The international community and donors and the multilateral financial development institutions, especially the United Nations Capital Development Fund and the United Nations Centre for Human Settlements, should provide substantial and adequate support to complement the efforts of LDCs in the area of investment and maintenance of infrastructures.

[Transport and communication]

[33. bis The LDCs, in addition to other misfortunes, face severe difficulties and suffer from bottle-necks in the transport sector, particularly within the country and in the carriage of their foreign trade. The economic and social development of LDCs is still seriously hampered by the absence of an adequate infrastructure in the transport and communications sector. The improvement of the physical infrastructure is vital for the expansion of all productive sectors and essential social services, as well as for the efficient delivery of humanitarian and emergency relief measures. The strengthening of facilities for transport and communications is at the same time crucial for co-operation in a sub-regional and regional framework.

To this end, donor countries and institutions should support and complement the efforts of LDCs to:

(i) develop ports, roads, rural tracks and railways;
(ii) train the required manpower and to set up indigenous training institutions;
(iii) create internal transport facilities, particular to link remote areas;
(iv) expand and improve transit-transport and port facilities in transit countries to facilitate transport from and to land-locked countries;
(v) give high priority to development of national shipping services and of river and lake services;
(vi) overcome congestion of ports;
(vii) develop, where necessary, joint shipping companies or merchant fleets.

By giving greater priority to the communications sector, attempts should be made to develop and improve the technological components of new and existing hardware and expand and upgrade the communications system as a whole. LDCs should devise more efficient and economically and socially desirable pricing policies for this sector. The international community, particularly developing countries, should provide concessional resources to the LDCs to enable them to develop and improve their communications systems, including the use of satellites where appropriate.

The ECA and ESCAP should endeavour to devise special programmes tailored to LDCs in the context of the implementation of UN transport and communications needs in Africa and Asia.

Donors are requested to support and encourage the implementation of joint transport and communications projects between two or more LDCs, particularly when such projects as protect/enhance the environment and are envisaged in the framework of comprehensive sub-regional economic integration or regional programmes for the development of the transport and communications sector.]

[Human settlements]

[33. (ter) Housing requirements constitute one of the most difficult problems facing LDCs, in particular in urban areas. Disorganized urbanization is simultaneously a threat to the environment and a major obstacle to the improvement of its quality as well as to the provision of basic services. The interrelationships between people, resources, environment and development should be a basic concern in developing human settlements and in undertaking development projects. Despite many efforts, the vast majority of LDC population have not or have unfit shelter for human habitation, that this number will increase dramatically, particularly as a result of population and urbanization trends. There is a need to reverse this alarming trend and produce clear and visible improvements in the shelter and neighbourhoods of the poor and disadvantaged.

A major effort will be needed to assist LDCs to better use land and the environment in planning urban and rural settlements and creating industrial and agricultural projects, securing interregional balance between urban and rural development. The poverty of the LDC population call for policies that ensure development of housing and settlement at low cost in urban and rural areas. Therefore a substantial transfer of resources from the international community, particularly the developed countries will be required in order to develop environmentally sound human settlements.. LDCs should promote innovative measures by which bilateral and multilateral financial institutions may support the human settlements strategies of LDCs.]

D. Environment and disaster mitigation, preparedness and prevention
[Sound management of the natural environment]
[Environment and development in the least developed countries]

34. [The global impact of certain environmental changes on the growth and development of the developed and developing countries is increasingly recognized. For their part, the developed countries recognize that additional resources will have to be channelled to developing countries to combat the negative impact of certain of these global trends. At the same time, however,environmental degradation has increasingly impaired prospects for the development of the developing countries. Thus, while most of the least developed countries' environmental problems are essentially development problems closely linked to poverty, unemployment and population pressure, protection and improvement of the natural environment are necessary for achieving sustainable development in the least-developed countries.] [The least developed countries' environmental problems are closely linked [to poverty, unemployment and population pressure, geographical disadvantages and unregulated industrial operations including those of national companies] [to inter alia poverty, unemployment, narrow technological base, soil degradation and erosion, drought and desertification, unregulated industrial operations in particular by the multinational enterprises as well as illegal transboundary disposal of hazardous wastes.] Protection and improvement of the natural environment are therefore necessary for achieving sustainable development in the least developed countries.] Supported by appropriate and adequate international support measures, one of the main endeavours of the least developed countries should be to achieve a balance between human demands on the natural resource base for future as well as present generations, and to maximize the ability of the environment to meet these demands.

34.bis An integrated and multi-disciplinary approach in this regard should cover, inter alia: (i) [economic incentives to motivate better environmental management and to ensure high efficiency of energy use, as well as to discourage environmental degradation;] [incentives to motivate better environmental management and protection;] (ii) [education and mobilization of the entire population, in both rural and urban areas, aimed at enhancing awareness of the economic and social benefits of environmental protection for the improvement of the quality of life in the least developed countries, as well as the involvement of the local population in environment protection

activities;] [education of the local communities in both urban and rural areas, aimed at enhancing awareness of the economic and social benefits of environmental protection;] (iii) [linking programmes of social development, including poverty alleviation and participation of economically disadvantaged groups, to programmes of environmental improvement and management;] [taking into account environmental improvement and management concerns to the extent necessary and feasible, in the programmes of social adjustment;] (iv) [facilitating the transfer of environmentally sound technology to the least developed countries; and (v) develop new techniques to rationalize the use of traditional energy resources or alternatives sources of energy that are affordable and environmentally sound.] [Provision of adequate external support to facilitate the transfer of environmentally sound technology including those in the area of energy, to the LDCs.]

35. There is a need to strengthen human institutional and technological capacities of LDCs to identify environmental problems, assess the inter-relationship between development and environment trends and prepare national environmental management plans for conservation and protection strategies. [Women should be involved in these plans, especially in forest and land management programmes. They should also be involved in the choice and dissemination of appropriate technologies which would facilitate their household and productive activities whilst respecting the rythm of renewal of the natural resource base.] National early-warning and forecasting mechanisms, included as part of a wider regional effort, should be strengthened. [Women should be associated with the establishment of warning systems and follow-up on natural calamities as well as of programmes aimed at reducing post-harvest losses and food wastage.] The UN organisations including UNEP, WMO, and FAO should give priority attention to LDCs in their programme and mechanisms relating to environment.

36. The United Nations Conference on the Environment and Development, scheduled for 1992, should address in accordance with its mandate the environmental and developmental problems of the least developed countries. The Conference should provide for measures to enable the least developed countries to pursue their efforts to incorporate the environmental dimension into their development objectives and policies. Moreover, the Conference should be an opportunity to renew the international community's commitment to support technically and financially major projects designed to avoid the recurrence of natural disasters due to environmental degradation.

37. Appropriate and adequate international support is also needed to explore possibilities to protect the least developed countries against the effects of new environmentally negative phenomena, such as climate change, marine pollution and the transboundary movement of wastes.

Disaster mitigation, preparedness and prevention

38. Natural and man-made disasters continue to cause heavy losses of human lives and property, with particularly severe and lasting impact on the national economies of the least developed countries. Furthermore, the magnitude of future losses will inevitably increase as population pressure leads to the occupation of even more vulnerable areas. Considerable knowledge exists of techniques of minimizing the impact of disasters and have not yet been systematically applied in the majority of the least developed countries. Each country will need assistance to increase or improve its capacity to identify disaster scenarios, to establish appropriate protective measures and contigency plans, and to ensure that local community leaders and the population in general know-how and when to apply these measures. LDCs would continue to undertake measures within their available capacity with appropriate international co-operation to: (i) alleviate and mitigate the consequences of such disasters; (ii) limit the extent of their damage; and (iii) undertake feasible preventive measures. Activities in this regard should be integrated into new development projects.

39. It would be necessary for LDCs to continue efforts to stimulate among their population in general a clear perception of the benefits of disaster preparedness and prevention. Pilot projects to promote a coherent approach to disaster preparedness, mitigation and prevention should be initiated in the disaster-prone least developed countries, in line with the General Assembly guidelines on the IDNDR, with adequate international support. Special attention should be given to women and children because of their vulnerability during disasters. LDCs should receive priority attention in the activities of the International Decade for Natural Disaster Reduction (IDNDR). In particular, the international community will provide support to the implementation of the programme for the control of floods in Bangladesh, as well as to the project for the establishment of an environment-surveillance mechanism in the Sahara and the Sahel, aimed at the control of desertification in sub-Saharan Africa.

E. Coping with special problems of certain groups of least developed countries

Land-locked and island least developed countries

40. Altogether 15 out of 42 least developed countries are land-locked. This geographical handicap adds to their structural deficiencies by impairing the capacity of these countries to conduct and benefit from international trade. Improvement of the physical infrastructure, in particular transport and communications, is vital for the movement of goods and services within a country as well as for the expansion and development of the foreign trade sector. In order to alleviate this geographical handicap, the land-locked least developed countries and their transit neighbours should continue to make concerted efforts at bilateral and sub-regional levels to simplify transit procedures and to improve international trade links in the 1990s, taking into account the relevant resolution of the UN in particular the Final Act of UNCTAD VII and the needs and the means at the disposal of the former.

41. In addition to the problems inherent to their least-developed status, island least developed countries face obstacles arising not only from their insularity and often archipelagic nature but also from their small size in terms of territory and population and from their remoteness from the major economic centres. In order to generate income, Governments will have to promote sectors such as fisheries and services. Island least developed countries should initiate programmes for the development of their internal and external transport links in order to improve their access to world markets. [Given the special difficulties of island least developed countries, donors should reconsider the possibility of extending budgetary support with a view, inter alia, to covering recurrent expenditure of development projects].

[42. The international community should consider the possibility of assisting land-locked and island least developed countries in their efforts to finance their infrastructure projects which are indispensable for their development.]